

## Message Text

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22

ACTION EUR-12

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC 1919

SECDEF

AMEMBASSY MOSCOW

INFO USMISSION NATO BRUSSELS

UNCLAS LONDON 07850

E.O. 1L652: N/A

TAGS: MCAP, UR

SUBJ: SOVIET MILITARY EXPENDITURES

1. ON 18 MAY MASON, SECRETARY OF STATE FOR DEFENSE, IN A WRITTEN ANSWER TO A PARLIAMENTARY QUESTION STATED THAT: "PRELIMINARY RESULTS OF OUR STUDIES INDICATE THAT SOVIET MILITARY EXPENDITURE IN 1975 AMOUNTED TO OVER 50'000 MILLION ROUBLES; THAT SOVIET MILITARY EXPENDITURE HAS BEEN GROWING FOR MANY YEARS AT AN AVERAGE ANNUAL RATE OF 4 PER CENT IN REAL TERMS; AND THAT THE SHARE OF SOVIET GNP ALLOCATED TO MILITARY PURPOSES HAS AVERAGED BETWEEN 11 AND 12 PERCENT OVER THE PAST DECADE.

"THE LATEST FIGURES STEM FROM A COMPREHENSIVE RE-EVALUATION OF SOVIET MILITARY EXPENDITURE IN ROUBLE TERMS. THIS RE-EVALUATION HAS SHOWN THAT EARLIER ESTIMATES WHICH INDICATED THAT SOME 7 PERCENT OF SOVIET GNP WAS DEVOTED TO MILITARY PURPOSES WERE SUBSTANTIALLY TOO LOW. THE LOWER FIGURE WAS DIFFICULT TO RECONCILE WITH THE LARGE OBSERVED INCREASES IN SOVIET MILITARY CAPABILITIES OVER RECENT YEARS. THE NEW FIGURE HAS BEEN ARRIVED AT BY A THOROUGH REAPPRAISAL OF THE COST OF THE SOVIET MILITARY EFFORT AND IN PARTICULAR OF SUPPLYING AND MAINTAINING THE EXTENSIVE

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RANGE OF NEW ADVANCED WEAPONS AND EQUIPMENT NOW CEASELESS-

LY ENTERING SERVICE IN THE SOVIET ARMED FORCES.

"AGAINST THE BACKGROUND OF CONTINUED GROWTH IN SOVIET MILITARY EXPENDITURE, OUR LATEST ESTIMATES OF THE COST OF THE SOVIET MILITARY EFFORT AND THE ASSOCIATED BURDEN ON THE ECONOMY INDICATE THE VERY HIGH PRIORITY WHICH THE SOVIET LEADERS CONTINUE TO DEVOTE TO MILITARY CAPABILITY. THE NEW ESTIMATES SHOW THAT THE SOVIET UNION IS DEVOTING A MUCH HIGHER SHARE OF ITS GNP TO DEFENSE THAN ANY NATO COUNTRY."

2. THE DAILY TELEGRAPH GAVE MASON'S PARLIAMENTARY ANSWER EDITORIAL COMMENT, NOTING THAT IT WAS "AS LOW-KEY, BRIEF AND UNINFORMATIVE AS POSSIBLE. IT WAS SLIPPED INTO THE RECORD AS UNOBTRUSIVELY AS IF IT HAD BEEN ABOUT AN INCREASE IN THE COST OF A BARRACK ROOF...WHY DID THE BRITISH GOVERNMENT KEEP SILENT FOR SO LONG? OBVIOUSLY, UNTIL THE LATEST DEFENSE AMPUTATIONS WERE COMPLETED. NOW MR. MASON, BEING QUESTIONED, AT LEAST HOPES TO STAVE OFF FURTHER DEMANDS FOR POUNDS 1 BILLION DEFENSE CUTS FROM HIS INSATIABLE LEFT".

ARMSTRONG

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